

MULTIMEDIA



UNIVERSITY

STUDENT IDENTIFICATION NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, SESSION 2016 / 2017

BEN 2874 – ENTREPRENEURSHIP
(All Sections / Groups)

12th OCTOBER 2016
9 a.m. - 11 a.m.
TWO (2) HOURS

INSTRUCTIONS TO STUDENTS

1. This question paper consist of **FIVE (5)** pages including cover page.
2. There are **TWO (2)** sections in this paper.
3. Section A – Answer **ALL** questions.
4. Section B – Answer **ALL** questions.
5. **ALL** answers should be written in the answer booklet provided.

Section A

Answer **ALL** questions. You are encouraged to include detailed explanation, personal opinions and examples to illustrate your answer.

Question 1

Kathy Berry is in the midst of starting a computer hardware firm and thinks she has identified a real problem that her company will be able to solve. She needs investment capitals and willing to share her business equity, but doesn't know much about the process and doesn't know where to begin. She's turned to you for advice. Write Kathy a 250-300 word email message introducing her to the process of raising investment capital especially on equity funding.

(20 Marks)

Question 2

Rupert Dwine has been selling fruit juice and is planning on expanding his business for past one month, he has been looking for new ideas for his growth. Suggest **FOUR (4)** internal growth strategies that may help him pursue his dream.

(10 Marks)

Question 3

You have been appointed as an Intellectual Property consultant for a shoe manufacturing firm. Recently the managing director, Mr. Elton Grey emailed to you inquiring the patent application process. One of the employees in the company has invented a new product for their firm and Mr. Grey is not sure how to apply for patent. Reply Mr. Grey's query.

(20 Marks)

Continued...

Question 4

Joanna Collins and Pete Stash recently opened a fine dining restaurant in the suburbs. They have been really enthusiastic about this restaurant and expecting to grow their business successfully. But, both Joanna and Pete are not experienced restaurateurs. In fact, they are new entrepreneurs and this is their first time doing business. Both of them know there are many challenges to face during growth. Advice Joanna and Pete on the day to day challenges of a growing firm.

(20 Marks)

Section B

Read the case below and answer the questions using information obtained from the case.

Old Town White Coffee franchise in Malaysia

Article Retrieved from: www.startingfranchise.asia

Looking to get Old Town White Coffee franchise in Malaysia? Old Town cafe is one of the leading cafe chain and the beverage manufacturing company in the Malaysia, which has a total of more than 246 cafe outlets in Malaysia, Singapore, Indonesia and China. Let's see the investment required to start Old Town White Coffee franchise in Malaysia, Return on Investment (ROI), application requirements, franchise fees and more.

About Old Town White Coffee franchise in Malaysia.

Started in 1999, Old Town White Coffee the leading white coffee brand in Malaysia has a total of 237 cafe outlets providing high quality special 3-in-1 blend based on Ipoh white coffee which has expanded its business by exporting its instant beverage mixes and products to 13 countries worldwide under the brand name 'Old Town White Coffee'. It has won numerous awards in the food-beverage industry such as 'Best Brands Food and Beverage Kopitiam 2007', 'Golden Bull Award', 'Platinum Award for outstanding Malaysian Brand', 'SME Brand Excellence Awards', 'Malaysia's most valuable brand award' to name a few. Old Town White Coffee offers its franchisees the best set-up and management training, shop level training, provides assistance in site selection, advertising and promotions and so on. Old Town White Coffee has seen a steady increase over the years in terms of revenue, net income, operating cash flow and so on. So opening Old Town White Coffee outlet is one of the best franchise opportunity in Malaysia.

Continued...

Old Town White Coffee franchise Malaysia: Investments, start-up costs, requirements, profit.

The minimum financial and other requirements to be the business partner of Old Town White Coffee are as follows:

- Minimum net worth of RM 800,000 with liquidity of RM 1000,000 in cash or equivalent.
- No legal suits or bankruptcy.
- Experience in food and beverage industry is considered as an added advantage.

When coming to the fee structure, the franchise fees for Old Town White Coffee is RM 80,000 and upon renewal, the franchise fee is RM 30,000. The total start-up cost for Old Town White Coffee franchise including franchise fees, training fees, technical support fees, the security deposit is amounting to RM 146,000. So depending upon the store size, the capital expenditure of Old Town White Coffee franchise varies from RM 700,000 to RM 1,000,000 which includes all the above fees.

Available locations of Old Town White Coffee outlets in Malaysia

The available Old Town White Coffee franchise locations in Malaysia is at Johor, Kedah, Kelantan, Melaka, Selangor, Negeri Sembilan, Terengganu, Sarawak, Sabah, Pahang, Penang, Perak, Wilayah Persekutuan.

Old Town White Coffee franchise application process and procedure

If you have met the necessary requirements as stated, then you can download the Old Town White Coffee franchise application form from it's official website which should be submitted to the address mentioned below. The representative of Old Town White Coffee will assist you in site location and final interview takes place. Upon satisfaction the letter of offer will be issued by the franchisor and initial payment have to be made by the applicant. The franchisee has to undergo a 60 days training prior to the outlet opening.

Continued...

Question 5

- a) What is your opinion on Old Town White Coffee franchise based on the article above?

(9 Marks)

- b) Explain The 7 steps in purchasing a franchise business and relate it to Old Town White Coffee franchise application processes and procedures.

(21 Marks)

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